

2023 Toronto Employment Survey

Date: January 12, 2024

To: Planning and Housing Committee

From: Interim Chief Planner and Executive Director, City Planning

Wards: All

SUMMARY

The attached bulletin summarizes the results of the 2023 Toronto Employment Survey. The bulletin highlights the Survey's key findings and counts of employment and business establishments in the City of Toronto for 2023. The bulletin also reports on the type and longevity of establishments and employment activity in Downtown, the Centres, Secondary Plan areas, designated Employment Areas, and Areas of Employment across the city.

In 2023, the Toronto Employment Survey recorded 1,535,290 jobs citywide, an increase of 50,690 jobs or 3.4% from 2022. Toronto's economy continues to recover from the record-breaking job losses of 2020 and 2021 due to the COVID-19 pandemic. Total employment is approaching the pre-pandemic total of 1,569,800 in 2019, a difference of 2.2% or 34,510 jobs. This year, employment increases over 2022 were observed in Community and Entertainment (12.4%), Institutional (6.2%), Service (5.8%), Office (2.5%), and Retail (1.6%). The only decrease was in the Manufacturing category (-0.4%). The Survey counted 72,530 establishments in 2023, a net increase of 730 establishments (1.0%) from 2022. In 2023, 7,580 new establishments opened in the city.

RECOMMENDATIONS

The Interim Chief Planner and Executive Director, City Planning recommends that:

1. Planning and Housing Committee receive this report for information.

FINANCIAL IMPACT

There are no financial implications resulting from the recommendations included in this report.

The Chief Financial Officer and Treasurer has reviewed this report and agrees with the information as presented in the Financial Impact Section.

DECISION HISTORY

Since 1983, the City has conducted an annual survey of Toronto business establishments to monitor economic activity, provide information for policy and decision-making, and offer additional context for the planning of municipal infrastructure and services. Using a consistent coding system of land parcel uses and occupant activities, the Survey provides forty years of time-series data for the longitudinal analysis of employment activity in Toronto.

The results of the Survey are used by City Planning and other City divisions to monitor economic conditions, to review the progress of Official Plan policies and to inform emerging policy directions that may be required to respond to changing economic activity. Survey results are also used to develop employment projections, and to plan municipal infrastructure and services. This report summarizes the Toronto Employment Survey results collected between May and October 2023.

In 2023, the Survey method was similar to how the survey was conducted pre-pandemic. To carry out the Survey during the public health restrictions in the first two years of the COVID-19 pandemic, the Survey was redesigned to use a hybrid method of telephone, e-mail, and internet research. In 2022, the Survey returned to in-person field visits, but the effects of the COVID-19 pandemic still lingered, affecting the workflow and response rate. This year, the Survey was conducted completely in-person by a full team of surveyors, allowing for visits to all businesses across the city.

COMMENTS

Total Employment

- The Toronto Employment Survey counted 1,535,290 jobs in 2023.
- Toronto's economy continues to recover from the record-breaking job losses in 2020 and 2021 due to the COVID-19 pandemic. In 2023, the Toronto Employment Survey recorded a 3.4% increase in total jobs, up 50,690 jobs.
- Total employment is approaching the pre-pandemic total high of 1,569,800 in 2019, a difference of 2.2% or 34,510 jobs in 2023.
- Full-time employment increased by 38,270 jobs (3.4%) from 2022 to 1,179,370 jobs.
- Part-time employment increased by 12,410 jobs (3.6%) from 2022 to 355,910 jobs.

Employment by Category

- The category with the largest percentage increase in 2023 was Community and Entertainment which gained 12.4% or 5,020 jobs. This is a second year of strong growth in the Community and Entertainment category, following a loss of one-third of

its employment during the COVID-19 pandemic. Between 2018 and 2023, Community and Entertainment employment declined by 18.9% or 10,570 jobs.

- The Service category grew by 9,210 jobs or 5.8% in 2023. This is a beginning of a recovery for the category after experiencing the largest absolute decline in 2020 of almost one-quarter of its jobs. Despite these gains in 2023, the Service category lost 23,720 jobs or 12.4% between 2018 and 2023.
- The Institutional category grew by 16,510 jobs or 6.2% in 2023, recovering from the major losses in 2020. Between 2018 and 2023, Institutional added 26,220 jobs or 10.2%.
- The Retail category gained 2,230 jobs or 1.6% in 2023. However, the Retail category has lost 6,120 jobs or 4.0% since 2018.
- In 2023, Manufacturing lost 580 jobs or 0.4%. Between 2018 and 2023, this category lost 8,840 jobs or 6.4%.
- The Office category added 18,390 jobs in 2023, the highest of all the categories. The Office category has been the least impacted by the pandemic in 2020, and has 4.8%, or 35,420, more jobs in 2023 than in 2018.

Number of Establishments

- In 2023, the Survey counted 72,530 establishments, a net increase of 780 establishments or 1.1% from 2022.
- A total of 7,580 establishments were new to the city in 2023. Of these, 2,500 are located in Employment Areas (33.0%), 1,610 in Downtown (21.2%), 410 in the Centres (5.4%), and 3,060 (40.4%) in the rest of the city.
- Office had the most new establishments in 2023 with 2,870 new establishments.

Downtown and Centres

- There were 601,010 jobs in Toronto's Downtown in 2023, the highest employment count reported in the last five years. Downtown grew faster than the citywide average of 3.4%, gaining 36,020 jobs, or 6.4%. Since the loss of 47,350 jobs in 2020, Downtown has been able to bounce back from the COVID-19 pandemic gaining 63,700 jobs.
- Downtown continues to attract a significant share of new establishments, adding 1,610 in 2023, representing 21.2% of all new business establishments in the city.
- The four Centres contain 73,750 jobs or 4.8% of all jobs in the city.
- In 2023, the Centres lost a combined net total of 110 jobs or 0.1%. This represents a far smaller decline than the previous year when employment decreased by 3.3%. The decline was led by the Yonge-Eglinton Centre (530 jobs), followed by Scarborough Centre (400 jobs) and Etobicoke Centre (180 jobs). North York Centre employment grew by 1,000 jobs.

Secondary Plan Areas

- In 2023, over half of all citywide employment, 862,500 jobs or 56.2% were in the Secondary Plan areas. These areas reflect much of the city's more recent urban growth, and they added 38,560 jobs in 2023.

- The largest Secondary Plan area in terms of employment is the Downtown Plan area with 593,080 jobs. This represents an increase of 36,390 jobs from 2022.
- Downtown contains more than two-thirds (68.8%) of all jobs located within Secondary Plan areas.
- The Office category is the predominant employment category in Secondary Plan areas, representing approximately 545,093 jobs and almost two-thirds of their total employment (63.2%).

Employment Areas

- In 2023, there were 21,930 establishments in Toronto's Employment Areas, 30.2% of the city total. This is an increase of 240 establishments since 2022 but the same share of the city total.
- In 2023, Employment Areas contained 397,910 jobs, 25.9% of the city total, down from 26.8% in 2022 by 170 jobs.
- Employment Areas continue to attract new businesses, with 33.0% of new establishments in the city or 2,500 establishments in 2023 locating in Employment Areas.
- Employment Areas are particularly important to the Manufacturing category, with 84.4% of the establishments and 90.1% of all Manufacturing jobs located in Toronto's Employment Areas.
- Manufacturing employment is the largest component of Employment Areas, making up 18.9% of all jobs or 75,320 jobs.
- Wholesale and Retail Trade remained stable at 16.5%, noting that the number of jobs increased slightly by 880 to a total of 65,830 jobs.
- The share of Professional, Scientific and Technical Services employment decreased by 680 jobs to 10.8% or 43,012 jobs.
- Core Employment Areas contained 63.5% of all jobs in Employment Areas or 252,690 jobs, 16.5% of all citywide employment.
- General Employment Areas contained 36.5% or 145,220 jobs, 9.5% of all citywide employment.

Areas of Employment

- According to the Ontario Planning Act, an “‘area of employment’ means an area of land designated in an official plan for clusters of business and economic uses including, without limitation, the uses listed in subsection (5) [of the Act], or as otherwise prescribed by regulation”. These uses include manufacturing, warehousing, office, associated retail uses ancillary facilities. In Toronto, there are 23 Areas of Employment (AOEs) which represent geographic clusters of lands designated as either Core Employment Area or General Employment Area in the Official Plan.
- Employment in the AOEs accounts for 383,860 jobs, 25.0% of all citywide employment, and 21,900 establishments, 30.2% of the total. In 2023, there were 17,170 fewer jobs than 2022, a loss of 6.4%.
- The leading employment activity in 2023 was Manufacturing, comprising 75,310 jobs or 19.6% of all jobs located in an AOE. Other sectoral concentrations in AOEs

include Wholesale and Retail Trade at 52,330 jobs or 13.6%, and Professional, Scientific and Technical Services with 43,000 jobs or 11.2%.

Pandemic Impact

- Toronto's economy has seen significant recovery from the COVID-19 pandemic. In 2023, fewer establishments reported significant employment change as a result of the COVID-19 pandemic, decreasing from 500 in 2022 to 210 in 2023.
- There were 120 establishments that reported growth related to the pandemic, adding 20,150 jobs (88.8%) while 90 establishments reported a loss of 2,540 jobs (11.2%), a decrease from the previous year.
- All employment categories had establishments with both gains and losses in employment due to the COVID-19 pandemic, but only the Manufacturing & Warehousing and Retail categories exhibited net employment losses in 2023.
- Separating increases from declines, the categories of establishments that reported the highest percentage employment gains were Institutional (35.3%), Community & Entertainment (25.4%), and Office (23.8%).
- Most of the job losses in businesses reporting job impacts of the COVID-19 pandemic were within the Retail (40.5%), Office (22.8%), Service (16.9%), and Manufacturing & Warehousing (11%) categories.
- In 2023, 70.9% of the establishments responded to the "remote work" survey questions. Of those establishments, 14.2% reported having active employees working remotely, with 309,570 jobs reported as remote. This is 10.1% of all Toronto establishments, and 20.2% of employment in the city. Consistent with last year, the majority of remote work was reported in establishments in the Office sector (74.0%).

Regional Employment Policies

- From 2009 to 2019, the Toronto Employment Survey measured employment growth at a rate of 2.0%, accelerating to 2.6% during the years 2016-2019. These rates of growth would have led Toronto to reach the Growth Plan employment forecast by about 2032, at least 19 years before the forecast horizon.
- The effects of the COVID-19 pandemic have slowed employment growth considerably. In 2023, the ten-year growth rate is lower than 2019 at 1.2%. However, much of this effect may be due to the reduced response rate of the Survey over the past three years due to public health restrictions to manage the COVID-19 pandemic impacts. Regardless, the 2023 results indicate that if current growth rates continue, then Toronto's job growth would still be on track to reach the 2051 Growth Plan forecast by 2045, six years before the forecast date.
- A Place to Grow: Growth Plan for the Greater Golden Horseshoe reinforces Toronto's Official Plan Urban Structure by encouraging intensification of Strategic Growth Areas. Schedule 3 contains employment forecasts for the City of Toronto to 2051. The Ministry of Municipal Affairs and Housing is currently undertaking a policy review of A Place to Grow and the Provincial Policy Statement. The intended outcome is to streamline the province-wide land use planning policy framework in order to speed up housing approvals and increase housing supply. Depending on the outcome of the review, population and employment forecasts and targets may be

amended as well as other employment related policies regarding the conversion of land.

Data Collection

- In 2023, 50,910 establishments out of 72,530 responded to the Survey, representing a 70% response rate from identified business establishments. Responses represent 891,320 jobs or 58.1% of all employment in the city. This is higher than the Survey's response rate of 62% in 2022 but lower than the rate of 85% to 90% in pre-pandemic years.

2024 Toronto Employment Survey

The continuation of the annual Toronto Employment Survey is important for land use planning and economic development purposes as it provides a longitudinal dataset for time-series analysis of employment and land use change. The 2024 Survey programme will commence in May 2024, with the fieldwork scheduled to be completed by August 2024. This will be the 42nd anniversary of the Survey.

City Planning will continue to monitor changes in employment, and report on notable changes such as trends in working from home and its impact on office employment uses, as this will have an impact on future policy directions.

CONTACT

Philip Parker, Project Manager, Planning Research & Analytics, City Planning Division, 416-338-4161, Philip.Parker@toronto.ca

Jessica Krecklo Naidu, Assistant Planner, Planning Research & Analytics, City Planning Division, 416-392-3596, Jessica.KreckloNaidu@toronto.ca

Sabrina Poinen, Assistant Planner, Planning Research & Analytics, City Planning Division, 416-392-8786, Sabrina.Poinen@toronto.ca

SIGNATURE

Kerri A. Voumvakis
Interim Chief Planner and Executive Director
City Planning

ATTACHMENTS

Attachment 1: Toronto Employment Survey 2023 Bulletin